

Ex. F

*In The Matter Of:*  
*ABILITY INSURANCE vs*  
*ST PAPER*

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*DAVID G. CHARSKY*

*JULY 27, 2021*

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

ABILITY INSURANCE COMPANY,

Plaintiff,

-vs-

Case No.: 1:20-cv-03851-GBD

ST PAPER, LLC,

Defendant.

VIDEOCONFERENCE  
DEPOSITION OF: DAVID G. CHARSKY

DATE: July 27, 2021

TIME: 1:38 p.m. - 2:51 p.m. (EST)

DEPONENT  
LOCATION: TROUTMAN PEPPER HAMILTON  
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\* \* \* \* \*

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## I N D E X

EXAMINATION BY: PAGE

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EXHIBITS MARKED: PAGE ID'D

NONE

REQUESTED INFORMATION: PAGE

1) Investment management agreement  
between Monroe Capital and Ability  
Insurance Company ..... 11

2) Any documents that reflect Ability's  
recovery or proceeds from the sale,  
net of any expenses, for taking it  
through American Boulevard property  
through foreclosure ..... 17

3) Any emails that were overlooked that  
relate to any matters with respect to  
Note Number 1 ..... 20

4) Total of payments made on the Green Box  
debt ..... 22

5) Document that reflects the reduction  
of the amount due under the mortgage  
after the sale of the mortgage itself .. 37

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1 in favor of Maple Bridge Funding, LLC; is that  
2 your understanding?

3 **A Yes.**

4 Q Okay. But the actual funding of the monies paid  
5 to Green Box NA Green Bay, LLC was, you're  
6 saying, provided by Ability in the first  
7 instance; is that fair?

8 **A Yes, and then was assigned -- the note and all**  
9 **collateral associated with the note was assigned**  
10 **to Ability Insurance Company.**

11 Q Right. I think the two occurred fairly close in  
12 time, if I recall. It could be that on  
13 December 10th, 2013 Green Box made the note to  
14 Maple Bridge Funding and then on December 11th of  
15 2013 it was an allonge executed for the payment  
16 to be ordered to Ability Insurance Company by  
17 Maple Bridge Funding, LLC by Tim O'Shea. Does  
18 that comport with your recollection of the  
19 facts?

20 MR. GRIFFIN: Objection to the form  
21 of the question.

22 **A I can't confirm the exact dates. But yes, that**  
23 **time frame sounds about when the initial funding**  
24 **was sent to Green Box.**

25 Q Okay. And the sequence is correct, that is,

13

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1 Green Box gave a note to Maple Bridge and then  
2 soon thereafter Maple Bridge basically directed  
3 that Green Box pay to the order of Ability on  
4 the note; is that fair?

5 **A I don't know the exact sequencing of it.**

6 **Q** Well, I'll show you -- we'll get to that later.

7 So with the funding, do you know whether  
8 that funding -- was that money that Ability paid  
9 around the time of that note being executed by  
10 Green Box, directly to Green Box?

11 **A Yes, the money -- the money was funded from**  
12 **Ability Insurance Company accounts.**

13 **Q** And that was 7.15 million?

14 **A Correct.**

15 **Q** So today on Ability's books what does it believe  
16 it is owed by Green Box NA Green Bay, LLC?

17 **A Well, we do have a list of running totals from**  
18 **all expenses paid to actually recover on the**  
19 **initial note. We've estimated somewhere along**  
20 **the lines of an additional 9 -- 9 million plus**  
21 **of interest, professional fees, taxes, and**  
22 **operating costs on that initial investment.**

23 **Q** Okay. So you've got this debt that goes back to  
24 2013, just over \$7 million, and you're saying  
25 that -- and is that net of any kind of recovery

14

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1 loan to Green Box. And then after that what did  
2 Ability -- what steps did Ability take to  
3 collect, if any, after funding the loan?  
4 Because that was back in 2013. Do you know what  
5 the immediate -- what the terms of that note  
6 were as far as payment to Ability?

7 MR. GRIFFIN: Objection to form.

8 **A So no communication with Maple Bridge. We**  
9 **communicate with Monroe Capital.**

10 Q Okay.

11 **A Who's, again, the asset manager on the account**  
12 **and the loan. So yes, we'd communicate interest**  
13 **payments on that loan --**

14 Q Were there --

15 **A -- to make sure they were coming in.**

16 Q I'm sorry to interrupt. Were there payments  
17 made on the Green Box loan?

18 **A Yes. Initially, yes, there were a few payments**  
19 **made. Interest was paid on the loan.**

20 Q So it was sort of an interest-only situation for  
21 a period of time?

22 **A Yes.**

23 Q Do you know how long payments were made or how  
24 much?

25 **A I'd have to check the records. But a few months'**

21



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1           **worth of payments.**

2                   MR. SMIES: That's information I would  
3           be interested in seeing, Counsel, and if it's  
4           already produced forgive me, but to the extent  
5           you can find the total of payments made on the  
6           Green Box debt, I would like that produced.

7                   MR. GRIFFIN: Understood.

8   Q           So at some point it became evident, I take it,  
9           that Green Box wasn't going to pay all that was  
10          due under the Green Box note? Is that a fair  
11          summary of the history with Ability?

12   A          **Correct. And interest stopped being paid on the**  
13          **account.**

14   Q          Do you know if that was before or after there  
15          was a declaration of bankruptcy?

16   A          **I'm not sure.**

17   Q          Did you take any steps to attempt to collect on  
18          that debt before initiating foreclosure, any  
19          correspondence with Green Box?

20   A          **No correspondence with Green Box. It would all**  
21          **go through the investment manager, Monroe**  
22          **Capital, who has the relationship with -- you**  
23          **know, with Green Box.**

24   Q          That's Tim O'Shea?

25   A          **Yes. He's one of the principals.**